Washington Beer and Wine Wholesalers Association

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FAX TRANSMISSION COVER SHEET

Date: November 7, 1995

To:

Simon Siegl

Fax:

1-206-441-3130

Re:

Wine Warehouse

Sender:

Phillip H. Wayt

YOU SHOULD RECEIVE Two PAGE(S), INCLUDING THIS COVER SHEET. IF YOU DO NOT RECEIVE ALL THE PAGES, PLEASE CALL (360) 352-5252.

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Response to your request enclosed with this transfinition.

NO. CV04-0360P

PLAINTIFF'S EXHIBIT

EXHIBIT NO.

140

WBW-007434

Deposition OI PM CONNIE CHURCH, Court Reporter

VV 1074-101434

This was our last proposal.

WBWWA proposal to amend WAC 314-24-220 Section (5) (New language underlined)

Removals of wine from a bonded wine warehouse may be made only (1) for shipment to a licensed independent Washington wine wholesaler, (2) to another licensed bonded wine warehouse; (3) to the Liquor Control Board; (4) out of state; (5) for return to the producing domestic winery; or (6) to a producing domestic winery licensee. For purposes of this section, "producing domestic winery licensee" means the accessed Washington winery that produced the wine and its licensed agents. For purposes of this section, a "licensed agent" shall be an accredited representative of only one producing domestic winery during the effective period of such agent's license. A producing domestic winery licensee may take possession of wine from a bonded wine warehouse, after accepting and order therefor, and deliver the wine to a purchasing retail or special occasion licensee only by transporting such wine directly from the bonded wine warehouse to the ficensed premises of the purchasing retail or special occasion licensee; provided however, that in no event may a producing domestic winery licensee remove, in the aggregate, during any one calerdar year, more than two thousand cases of wine for delivery directly to retail and special occasion licensees. Producing domestic winery licensees shall maintain records of removals and deliveries of wine from bonded wine warehouses and shall file with the Liquor Control Board annually reports of the quantity of wine removed and delivered directly to retail and special occasion licensees, Invoicing....

In a new proposal (11-7-95) to accommodate your request:

After accredited representative, insert a comma and "licensed pursuant to WAC 314-44,". Also, after winery in the same sentence delete "during the effective period of such agent's license." and insert "at the time of removal by such agent."

Therefore, the sentence in question will read, For purposes of this section, a "licensed agent" shall be an accredited representative, licensed pursuant to WAC 314-44, of only one producing domestic winery at the time of removal by such agent.

I think this accomplishes the goal of your request.

On your second point, we are aware that wineries now keep records. However, they are not easily available for anyone to inspect, other than Board agents at the winery location. The 2000 case limit is important to us and if the regulation is to have any potential of being enforced, we feel the need for this report to Olympia.

In summary, I see your point on the "agent" section and feel our new language addresses that issue. On your second point regarding the LCB report, we stand by our original language.

I called Carter early this AM but I have not heard back from him.

WBW-007435

CC41UU-VVEVV